

5 Things You Need to Know About Product Safety

Product Recalls are Voluntary, Not Mandatory.

Businesses often confuse product safety recalls – one form of negotiated corrective action – with hazard reporting, which is prescribed by law under certain circumstances. Reporting a substantial product hazard is a legal duty but the end result of safety reporting is variable. A report can be closed out without the necessity of a recall. A report can also result in corrective action that is more flexible than a recall, and there are recalls of different types, scopes, and durations. Companies that delay reporting due to fear of an inevitable recall run a risk of civil penalties for failure to timely report. There is no one size fits all report or remedy. Don't miss the short hazard reporting deadline based on fear of an automatic recall.

Consumer Product Safety is a Global Priority.

Almost every country in the world has a safety regulatory body that enforces developed or developing consumer protection laws. Companies that sell consumer products globally want to treat the safety of all consumers equally, but also must work within country-specific legal regimes that do not have uniform requirements. A capable global legal network can make the difference between well-coordinated global crisis management and a protracted, costly and brand-eroding experience.

An Ounce of Protection is Worth a Pound of Cure.

News of a major incident requires rapid response, multi-functional decision making, and complex logistical planning and execution under pressure. Companies that have an identified team with clear functional responsibilities and trusted partners will be better able to weather a product safety storm than those who are learning by doing for the first time. Planning ahead and devoting time to trial runs will provide important investment returns when the inevitable problems arise.

Don't Forget the States.

Companies should stay abreast of state laws governing product formulation, packaging, transport, storage, and disposal because these laws can serve as precursors of eventual federal regulation. Conversely, states sometimes adopt tried-and-true federal safety standards and graft them into state law applicable to new product categories. Federal safety regulators and state

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attorneys general have the ability to investigate and enforce safety laws, and coordinate on product safety threats.

Build Regulatory Capital.

Opportunities abound to meet with regulators to share knowledge and resources on an issue of common interest: protecting the safety of consumers. Developing regulatory relationships is especially important during times of accelerated technological change. Public-private partnerships can enhance knowledge and effective governance of new products and emerging hazards. Businesses that have engaged in non-adversarial information-sharing activity with their regulators can benefit from communication channels to meet future challenges.

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